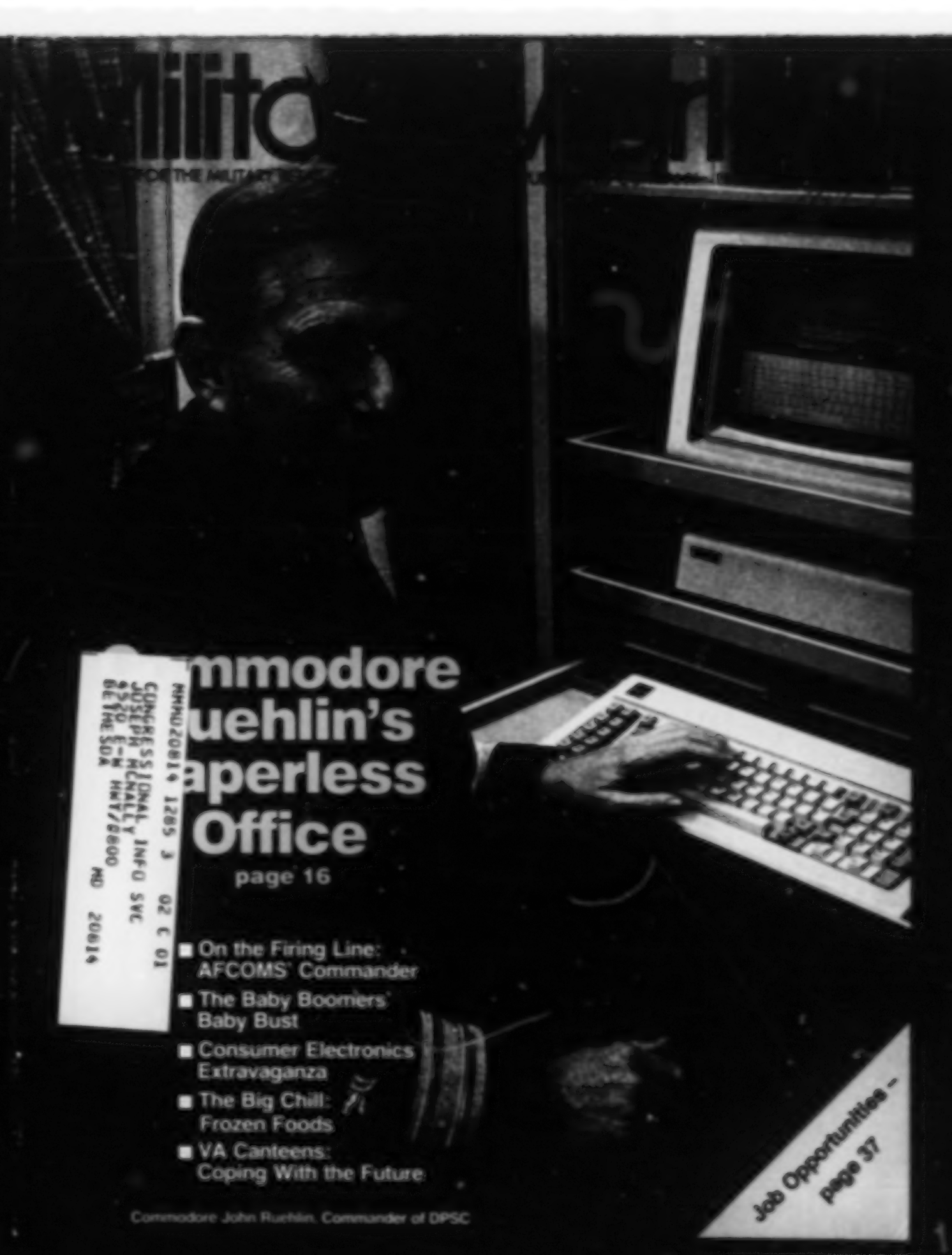

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Military Market serving the military retail system

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Military Market survey

Salvage: No Problem

'All we're really talking about here are piddly pennies.'

COMMISSARY OFFICERS generally don't feel that salvage is a major problem for their stores, and they are also uniformly satisfied with present procedures for disposing of salvage, according to the results of this month's MILITARY MARKET telephone survey. Six TSA commissaries, five AFCOMS stores, five Marine Corps outlets and four Navy stores responded to the survey.

Respondents overwhelmingly cited the warehouse or the back room as the location for salvage storage, although the variety of terms used to describe the area included a "cage," "holding area," "controlled salvage area," "sealed garbage can," a "specially marked bin" and a "little shed out back."

Most commissary officers said there is no particular time of the year when salvage poses the biggest problem, although five noted that salvage increases during the warmer months and sometimes when there's a large shipment of goods.

Canned goods, produce and boxed goods were the most often cited categories that commissary officers believe posed the greatest salvage problems for their stores. "There's no single category . . . It's just part of our business," is the way one AFCOMS commissary officer described it.

Eight of the 20 commissary officers surveyed said that salvage has always been a thorn in their side for doing business. "It's just one of those built-in things we have to deal with. I think we do a pretty good job considering the volume of business we do," explained a TSA commissary officer.

Only a couple of respondents believe the problem of salvage is increasing, while several think salvage problems are decreasing. "It's been up and down, but we really seem to be getting it under control more and more each year."

Most of the people surveyed — 15 out of 20 — believe salvage does not cost the commissaries too much money to handle. Said one NAVRESSO official: "All we're really talking about here are piddly pennies."

All respondents said that their present procedures for dealing with salvage are adequate and that they see no need for any changes.

In the sampling of 20 commissaries, MILITARY MARKET found that more stores do not turn over salvage to food banks than do, However, many commissary officers said they wish they could offer more items to food bank programs. "We solicited by letter all of the vendors that we deal with, but because of the responsibility [for lawsuits] involved, they declined to participate."

Eleven out of 20 respondents said that they believe even more products could be turned over to the food banks. Said one: "I'd like to offer even more products to the food banks, but my hands are tied." Another, who believed that more could not be offered, said, "All the companies that participate feel safe with the amount that is presently turned over."

Among the eight commissaries from this month's survey that are involved in food bank programs, only two commissary officers said the food banks involved were slow to pick up the items.

All 20 commissary officers surveyed were opposed to the idea that current federal policy might be changed to allow commissary officers themselves to authorize release of salvage to food banks. One particularly overworked officer said, "I have all the responsibility I can handle — or ever hope to handle — as it is."

Another replied that he does not think it can be changed because, "the government would never want to absorb the loss."

Across the board, commissary officers surveyed believe they do not use salvage to cover up warehouse problems or disguise their own operational inefficiencies, as some critics have charged. Only one felt that salvage costs suppliers a lot of money. "Those people who say that [it costs suppliers money] are idiots."

Half the people surveyed said their stores have a greater salvage problem than civilian supermarkets, and four people said their operations were more efficient than civilian stores and that salvage therefore posed even less of a problem.

Responses varied greatly concerning the longest a store has been forced to hold goods awaiting pickup by vendors, ranging from one week to as long as a year. MM

1 — WHERE DO YOU STORE YOUR SALVAGE? (See story)
2 — WHEN IS SALVAGE THE BIGGEST PROBLEM FOR YOU? (EXAMPLES: HOLIDAYS, DURING MAJOR SALES EVENTS, DURING HEAT WAVES, ETC.) (See story)
3 — IN WHICH PRODUCT CATEGORY IS SALVAGE THE BIGGEST PROBLEM? Canned — 7. Produce — 2. Frozen foods — 2. Boxed goods — 4. None in particular — 5.
4 — HAS SALVAGE ALWAYS BEEN A PROBLEM FOR YOUR STORE, OR HAS IT INCREASED OR DECREASED IN RECENT YEARS? Always a problem — 8. Not a large problem — 5. Increasing — 2. Decreasing — 5.
5 — DO YOU THINK HANDLING SALVAGE COSTS THE COMMISSARY TOO MUCH MONEY? Yes — 1. No — 15. Don't Know — 4.
6 — DO YOU THINK YOUR ORGANIZATION HANDLES THE PROBLEM OF SALVAGE IN THE BEST POSSIBLE WAY? Yes — 20. No — 0.
7 — DOES A FOOD BANK PICK UP FOOD FROM YOUR STORE? Yes — 8. No — 12.
8 — IS THE FOOD BANK PROMPT IN MAKING PICKUPS FROM YOUR STORE? Yes — 6. No — 2. Does not apply — 12.
9 — DO YOU THINK MORE PRODUCTS COULD BE TURNED OVER TO FOOD BANKS THAN ARE CURRENTLY? Yes — 3. No — 11. Not applicable — 6.
10 — UNDER CURRENT FEDERAL POLICY, SUPPLIERS AUTHORIZE THE RELEASE OF THEIR PRODUCTS TO FOOD BANKS. DO YOU THINK THAT THIS SHOULD BE CHANGED SO THE COMMISSARY OFFICER IS THE AUTHORIZING RELEASING AGENT? Yes — 0. No — 20.
11 — SOME IN INDUSTRY SAY COMMISSARY OFFICERS ABUSE THE SALVAGE SITUATION AND USE MANUFACTURERS' RETURNS TO HIDE OPERATIONAL INEFFICIENCIES. RETURNS THEREFORE COST SUPPLIERS TOO MUCH MONEY. DO YOU AGREE OR DISGAREE? Agree — 0. Disagree — 20.
12 — HOW DOES COMMISSARIES' AMOUNT OF SALVAGE COMPARE WITH CIVILIAN STORES? More — 10. Less — 4. Same — 6.
13 — WHAT IS THE LONGEST YOU'VE EVER HELD SALVAGE BEFORE A VENDOR PICKED IT UP? 1 week — 3. 2 weeks — 3. 3 weeks — 3. 1 month — 7. 2 months — 3. 1 year — 1.

Military Market index

		OCTOBER			YEAR-TO-DATE		
Commissaries		**CY'84**	**CY'83**	**%**	**CY'84**	**CY'83**	**%**
Air Force	CONUS	$148,835	$141,944	+4.85	$1,504,519	$1,456,530	+3.29
	OVERSEAS	29,824	27,198	+9.66	297,973	288,848	+3.16
	TOTAL	**178,659**	**169,142**	**+5.63**	**1,802,492**	**1,745,378**	**+3.27**
Army	CONUS	104,160	100,905	+3.23	1,059,240	1,032,977	+2.54
	OVERSEAS	31,395	32,445	-3.24	333,060	326,194	+2.10
	TOTAL	**135,555**	**133,350**	**+1.65**	**1,392,300**	**1,359,171**	**+2.44**
Navy	CONUS	54,814	52,953	+3.51	603,315	549,811	+9.73
	OVERSEAS	6,622	6,175	+7.24	71,774	63,551	+12.94
	TOTAL	**61,436**	**59,128**	**+3.90**	**675,089**	**613,362**	**+10.06**
Marines	CONUS	13,625	12,036	+13.20	131,839	115,097	+14.55
	OVERSEAS	230	199	+15.58	2,133	1,897	+12.44
	TOTAL	**13,855**	**12,235**	**+13.24**	**133,972**	**116,994**	**+14.51**
Coast Guard	CONUS	311	317	-1.89	2,542	2,892	-12.10
	OVERSEAS	235	216	+8.80	2,761	1,891	+46.01
	TOTAL	**546**	**533**	**+2.44**	**5,303**	**4,783**	**+10.87**
All Commissaries	CONUS	321,745	308,155	+4.41	3,301,455	3,157,307	+4.57
	OVERSEAS	68,306	66,233	+3.13	707,701	682,381	+3.71
	TOTAL	**$390,051**	**$374,388**	**+4.18**	**$4,009,156**	**$3,839,688**	**+4.41**
Grocery Stores	U.S.[1]	**$21.484 bil.**	**$20.524 bil.**	**+4.68**	**$213.344 bil.**	**$201.009 bil.**	**+6.14**
Exchanges							
AAFES	CONUS	$214,016	$230,625	-7.20	$2,289,727	$2,257,065	+1.45
	OVERSEAS	146,204	157,433	-7.13	1,534,570	1,521,591	+0.85
	TOTAL	**360,220**	**388,058**	**-7.17**	**3,824,297**	**3,778,656**	**+1.21**
Navy	CONUS[2]	94,380	88,253	+6.94	872,256	843,829	+3.37
	OVERSEAS[3]	38,127	38,204	-0.20	364,621	360,694	+1.09
	TOTAL[3]	**132,507**	**126,457**	**+4.78**	**1,236,877**	**1,204,523**	**+2.69**
Marines	CONUS	28,968	29,257	-0.99	277,581	276,800	+0.28
	OVERSEAS	4,826	4,418	+9.23	47,842	45,980	+4.05
	TOTAL	**33,794**	**33,675**	**+0.35**	**325,423**	**322,780**	**+0.82**
Coast Guard	CONUS[3]	6,250	6,188	+1.00	61,347	60,018	+2.21
	OVERSEAS[3]	852	844	+0.95	7,945	8,184	-2.92
	TOTAL[3]	**7,102**	**7,032**	**+1.00**	**69,292**	**68,202**	**+1.60**
Mail Order	CONUS[4]	1,174	1,418	-17.21	11,678	11,425	+2.21
	OVERSEAS[4]	4,375	3,481	+25.68	37,681	35,968	+4.76
	TOTAL[4]	**5,549**	**4,899**	**+13.27**	**49,359**	**47,393**	**+4.15**
All Exchanges	CONUS	344,788	355,741	-3.08	3,512,589	3,449,137	+1.84
	OVERSEAS	194,384	204,380	-4.89	1,992,659	1,972,417	+1.03
	TOTAL	**$539,172**	**$560,121**	**-3.74**	**$5,505,248**	**$5,421,554**	**+1.54**
Department Stores	U.S.[1]	**$10.696 bil.**	**$9.873 bil.**	**+8.33**	**$95.321 bil.**	**$85.677 bil.**	**+11.26**

1) SOURCE: U.S. Department of Commerce. 2) Does not include sales of ships stores. 3) Mkt estimate, based on official data. 4) Includes consolidated sales for all services, including Coast Guard.

Individual figures may not add to totals because of rounding. All sales are expressed in millions (add 000), except grocery stores and Department stores, which are in billions. Commissary sales include appropriate surcharges, and exchange sales include concession volume.